

OFFICIAL
DOCUMENTS

CREDIT NUMBER 5659-GM
CREDIT NUMBER 5660-GN
CREDIT NUMBER 5661-GW
CREDIT NUMBER 5662-SN

Project Agreement

(OMVG Interconnection Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

ORGANISATION POUR LA MISE EN VALEUR DU FLEUVE GAMBIE

Dated *June 23*, 2015

CREDIT NUMBER 5659-GM
CREDIT NUMBER 5660-GN
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PROJECT AGREEMENT

AGREEMENT dated June 23, 2015, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and *Organisation pour la Mise en Valeur du Fleuve Gambie* (“OMVG” or “Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreements (“Financing Agreements”) of same date between each of Republic of The Gambia, Republic of Guinea, Republic of Guinea-Bissau, Republic of Senegal on one hand (each a “Recipient”) and the Association on the other hand. The Association and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to the Financing Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

- 2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out Parts 1 and 2.1 of the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for its Respective Part of the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out its Respective Part of the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — TERMINATION

- 3.01. For purposes of Section 8.05(c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty years after the date of this Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity's Representative is the Executive Secretary.

4.02. The Association's Address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423(MCI)	1-202-477-6391

4.03. The Project Implementing Entity's Address is:

OMVG
13, Rue Leblanc x Av. Nelson Mandela
Dakar
RP Sénégal

Cable:	Telex:	Facsimile:
+221 338 895 101	+221 338 822 5926	

AGREED at Washington D.C. United States of America as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

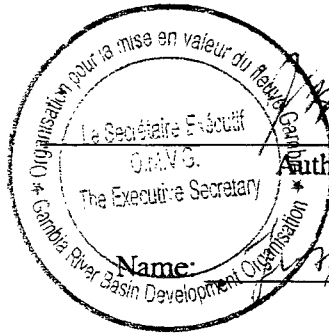
[Signature]
Authorized Representative

Name: Colin Bruce

Title: Director for Regional Integration

ORGANISATION POUR LA MISE EN VALEUR DU FLEUVE GAMBIE

By


[Signature]
Authorized Representative

Name: Justino Vieira

Title: Secrétaire Exécutif

SCHEDULE

Execution of the Project Implementing Entity's Respective Part of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

Monitoring and Advisory Committee

1. By no later than 2 months after the Effective Date, the Project Implementing Entity and the Participating Countries shall establish and thereafter maintain throughout Project implementation, the Monitoring and Advisory Committee, with composition and mandate acceptable to the Association.
2. Without limitation to the generality of the foregoing provisions of paragraph (1) immediately above, the Monitoring and Advisory Committee shall be chaired by the OMVG Executive Secretariat and include at a minimum eighteen members representing various project stakeholders as follows: the heads of the national OMVG units of each of the Participating Countries, representatives of the national energy directorates of each of the Participating Countries, representatives of the Ministry of Finance of each Participating Country, national electricity companies, one representative of the WAPP, and a representative of NGOs engaged in the environmental and social sectors. The secretariat of this committee will be assumed by the coordinator of the PMU (or his successor).
3. Without limitation to the generality of the foregoing provisions of paragraph (1) immediately above, the Monitoring and Advisory Committee shall be responsible for the provision of strategic guidance and overall oversight of the Project and support for its effective implementation and shall meet at least twice a year during the construction period of the OMVG Transmission Network to review Project progress reports provided by OMVG, and thereafter, as necessary.

PMU

4. OMVG shall carry out its Part of the Project implementation through the OMVG Executive Secretariat which will include a Project Management Unit, with the support of an experienced project management firm acceptable to the Association (the "Project Management Firm").
5. The PMU, once established, is located within OMVG shall be staffed with qualified and experienced personnel in adequate numbers, including, *inter alia*: (i) a coordinator, a financial management specialist, an accountant, a procurement specialist, an environmental and social specialist, an electrical engineer, a civil engineer, a monitoring and evaluation specialist; and (ii) an internal auditor for the OMVG Executive Secretariat to be recruited no later than 3 months after the Effective Date, all with qualifications and experience satisfactory to the Association.

6. The OMVG Executive Secretariat, initially through the PMU, shall be responsible for the day to day management of the Project and the coordination of its activities including, *inter alia*, (i) coordination and planning of works; (ii) supervision, monitoring and control of the Project activities; (iii) administrative and financial management; (iv) procurement activities; (v) implementation of safeguards measures; (vi) performing secretariat duties of the Monitoring and Advisory Committee; and (vii) reporting on progress to donors, the Monitoring and Advisory Committee and other relevant stakeholders at least twice a year.
7. OMVG shall be supported on technical aspects by an owner's engineer to be recruited no later than 4 months after the Effective Date, and by the national and local monitoring committees for the purposes of facilitating, monitoring and supervising implementation activities on the ground.

Asset Management Agency

8. The Project Implementing Entity shall take all measures required on its part to ensure that the Asset Management Agency be established no later than 24 months after the Effective Date, and thereafter maintained throughout Project implementation in form and substance acceptable to the Association, and AMA assumes full control of the management and operation of the OMVG Transmission Network.
9. Without limitation to the generality of the foregoing provisions of paragraph (8) immediately above, the Asset Management Agency shall be responsible, *inter alia*, for the operation and maintenance of the OMVG Transmission Network, such operation and maintenance to be carried out by a Qualified Operator competitively selected in accordance with guidelines acceptable to the Association.

B. Anti-Corruption

The Project Implementing Entity shall ensure that its Respective Part of the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Safeguards

1. The Project Implementing Entity shall take all action required on its behalf and provide the necessary financial and technical resources to ensure that the Project is implemented in accordance with the provisions of the Environmental and Social Impact Assessment (ESIA), the Environmental and Social Management Plan (ESMP), the Resettlement Policy Framework (RPF) and the Resettlement Action Plans (RAPs), all in a manner satisfactory to the Association.

2. The Project Implementing Entity shall:
 - (a) prior to commencing civil works for any activity under the Project and when required under the ESIA and the ESMP, carry out specific public consultation in form and in substance satisfactory to the Association; and
 - (b) ensure the lay-out, construction and management of the relevant transmission line or substation are consistent with the recommendations of the ESIA and thereafter carry out the applicable ESMP.
3. Prior to commencement of civil works for any activity of the Project involving Resettlement, the Project Implementing Entity shall prepare appropriate RAP or RAPs, as the case may be, for compensation, or resettlement, in accordance with the RPF, such RAP or RAPs to be in form and substance satisfactory to the Association.
4. Without limitation upon its other reporting obligations under this Agreement, the Project Implementing Entity shall collect, compile and furnish to the Association on a quarterly basis reports on the status of compliance with the Environmental and Social Impact Assessment (ESIA), the Environmental and Social Management Plan (ESMP), the Resettlement Policy Framework (RPF) and the Resettlement Action Plans (RAPs), as the case may be, giving details of:
 - (a) measures taken in furtherance of the ESIA, the ESMP and the RAPs;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the ESIA, the ESMP, and the RAPs; and
 - (c) remedial measures taken or required to be taken to address such conditions.
5. The Project Implementing Entity shall promptly take all remedial measures referred to in paragraph 2 of this Section C as shall have been agreed by the Association.
6. Except as the Association shall otherwise agree in writing and subject to compliance with applicable consultation and public disclosure requirements of the Association, the Project Implementing Entity shall not abrogate, amend, repeal, suspend or waive any provisions of any of the Safeguard Documents, nor shall it permit any other entity participating in the implementation of the Project to do so.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section

4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each such Project Report shall cover the period of one calendar quarter, and shall be furnished to the Recipient not later two weeks after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.

2. The Project Implementing Entity shall provide to the Recipient not later than January 1, 2023, for incorporation in the report referred to in Section 4.08(c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to its Respective Part of the Project.
2. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the Association not later than six months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.

Section III. Procurement

All goods, works and services required for the Project Implementing Entity's Respective Part of the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.

Section IV. Other Undertakings

1. The Project Implementing Entity shall take all measures required on its part to ensure that each of the Kaleta Power Purchase Agreements and the Transmission Service Agreements shall: (a) have become effective by the date which is 12 months after the Effective Date; and (b) not be amended, abrogated or waived by any party, except with the prior written agreement of the Association.
2. Shortly after the completion of the works under Part 1 of the Project, OMVG shall: (i) enter, under terms and conditions acceptable to the Association, into an assignment and assumption Agreement with the Asset Management Agency

pursuant to which OMVG shall, among other things, assign all of its rights under the Subsidiary Agreements to AMA and the Asset Management Agency shall assume all of OMVG's obligations (financial and otherwise) under the Subsidiary Agreements; and (ii) have been appointed by AMA to continue to perform until the Closing Date, all fiduciary, administrative, disbursements, safeguards, reporting and other Project implementation support responsibilities under the Project, under terms and conditions acceptable to the Association.